

Washington State Auditor's Office

Audit Report

Audit Services

Report No. 5735

WESTERN WASHINGTON UNIVERSITY

Agency No. 380

July 1, 1995 Through June 30, 1996

Issue Date: January 24, 1997

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WESTERN WASHINGTON UNIVERSITY
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Overview

We performed the statewide single audit of the state of Washington for the fiscal year ended June 30, 1996. In accordance with the Single Audit Act of 1984, we audited the state as an entity, rather than each agency separately. The results of this audit will be published in a statewide single audit report which includes the following:

- An opinion on the financial statements.
- A report on internal control structure-related matters based solely on an assessment of control risk made as part of the audit of the financial statements.
- A report on compliance with laws and regulations that may have a material effect on the financial statements.
- An opinion on supplementary Schedule of Federal Financial Assistance.
- A report on internal controls over federal financial assistance.
- An opinion on compliance with specific requirements applicable to major federal financial assistance programs.
- A report on compliance with general requirements applicable to federal financial assistance programs.
- A report on compliance with laws and regulations applicable to nonmajor federal financial assistance program transactions tested.
- A Schedule of Findings and Schedule of Questioned Costs.

The work performed at Western Washington University included procedures to satisfy the requirements of the 1996 statewide single audit and supplemental reviews and tests deemed necessary in the circumstances.

There was a finding, which is listed in the Schedule of Findings following this Overview, for Western Washington University.

Brian Sonntag
State Auditor

December 15, 1996

WESTERN WASHINGTON UNIVERSITY
Agency No. 380
July 1, 1995 Through June 30, 1996

Schedule Of Findings

1. Western Washington University Should Avoid Gifting Of Public Funds

During our audit of parking permits issued by Western Washington University, we identified revenue losses to the parking services fund through the issuance of free permits. Approximately 500 free permits were issued to the Western Foundation (a non-profit corporation) for President's Club donors.

Free permits can be issued to vehicle owners who have parking privileges in their contractual agreement with the university or individuals who work solely as volunteers for the university.

The Washington State Constitution Section VIII, Chapter 5 states:

The credit of the state ***shall not***, in any manner ***be given*** or loaned to, or ***in aid of, any individual, association, company or corporation.***
(Emphasis ours.)

Management has indicated issuance of free permits occurred to encourage good public relations and donations to the university and the Western Foundation.

As a result of issuing free permits, the university is providing a gift of public funds to the Western Foundation. The cost of providing these free permits is passed onto the paying users of the university parking system at the university.

We recommend the university require the foundation to purchase permits or modify the existing contract between the university and the Western Foundation to include the issuance of free permits for President's Club donors.

Auditee's Response

We acknowledge the concern for Special Events parking permits issued to Foundation donors. These Special Events permits are issued under the provision of the State which permits the University to furnish services to the Western Foundation. Therefore, we disagree that there has been a gifting of public funds, and instead find that the contract between the University and the Foundation needs to be updated to incorporate these parking permits. We have begun the process to amend the contract.

Auditor's Concluding Remarks

We would like to thank Western Washington University for their response. In your response you take exception to classifying giving away the Special Events parking permits to the Western Foundation as a gift of public funds.

It is true the university does have an agreement with the Wester Foundation to furnish services. However, this agreement does not identify Special Events parking permits as one of the services which will be provided. Until this agreement is modified, giving any funds or property to the Western Foundation, which is not specifically allowed by statute or included in the agreement, would be a gift of public funds. We reaffirm our finding.

We would like to thank all of Western Washington University for their cooperation during our audit. We look forward to working with you in the future.